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**Ghost shopping as a method of improving a company's  
marketing and customer relationship and satisfaction.  
Case study research for the SFM Company.**

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## **Thesis abstract**

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The following thesis seeks to provide information on the ghost shopping method as a research technique to improve a company's performance, customer service, etc. The emphasis is going to be on online ghost shopping which was executed for The Six Figure Mentors Company. The study strives to identify the origin of the company's sales problems and make the necessary changes and suggestions for improvement. The study will be also looking to solve any other problems connected with marketing, website structure, overall looks, and customer satisfaction levels.

Mostly qualitative research was used in the current case study for The SFM Company. Personal experience from the ghost shopping research was the main source of information for the current study. As a result the current study provides suggestions for improvement based on the ghost shopping research for the company as well as the basic regulations needed for a successful online website and customer service which can be also beneficial for other companies in the market looking to improve their overall online performance.

Keywords: ghost shopping, improvement, customer service, satisfaction, evaluating, observing, research method.

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## Terms and Abbreviations

<b>Sales funnel</b>	The definition of the sales funnel (also known as a revenue funnel or sales process) refers to the buying process that companies lead customers through when purchasing products. A sales funnel is divided into several steps, which differ depending on the particular sales model.
<b>Lead magnet</b>	A lead magnet is basically something that you're using as an ethical bribe on your lead generation page to incentivize potential buyers to want to give you their name, email, phone number, address or whatever info it is that you're asking for.
<b>The SFM Company</b>	The Six Figure Mentors Company

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## 1 Introduction

Ghost shopping is relatively old and proven method of assessing the customer service of a shop, store, etc. It is done by hiring a shopper whose job is to do the assessment by experiencing the customer service him/herself.

Recently the ghost shopping method is not only used in face-to-face situations personally in the shops, it is now also done online. Ever since the technologies started appearing in our everyday lives, Internet has been gaining popularity as well. That is also the reason why everyday more and more shops and businesses decide to widen their business and offer their services or products online. That way they can reach much more people instead of only relying on their offline business.

Since the technologies are developing in a rapid pace, they are a constant topic in our everyday lives. That is why the ghost shopping method in this case study is also a current topic – it is nowadays used to evaluate all kinds of online businesses. From online shops to any other kind of business involving customer service and contact, the ghost shopping method is always applicable and useful.

This method is also useful to monitor how and if your employees are performing their duties since it is closely connected to the customer service as well. If the personnel are doing their duties and tasks and they passed certain training for the particular job then the ghost shopping report will be positive and the customer service will be high quality. On the other hand, if there is a weak link in the chain of employees, ghost shopping is a great way to find out what the issue(s) is (are) in order to provide the proper training for the employees or take the necessary actions to fix the chain. This is only one reason why companies have used and are continuing to use the discussed method.

It is very flexible and can be adjusted to the company's needs and desired results. The method is surely not new and relatively old but it is rapidly becoming more and more applicable to current matters and situations in businesses worldwide in order to improve their customers' experience and their personnel's performance in their workplace.

## 1.1 Overview and background of the research

The current case study was done because my university internship placement was requiring that kind of information and research. It is a detailed analysis of customer process and suggestions for smoother experience and higher conversion as well as retention. It was done for The Six Figure Mentors / Digital Experts LLC. Since they are a relatively new company with a few members (customers) using their products and services, they are the perfect target company for a ghost shopping evaluation. They wanted to improve their website, connection with the customers, their income, their personnel's performance, etc.

As I said, the company is offering a marketing training in the form of different memberships, which in two out of three cases require a commitment. In other words, as long as you are a member of the SFM you have to pay a monthly fee, which is separate from the opening payment for every membership. That makes it even harder to interest potential buyers in your product. In order to do that, a long list of things should be taken under consideration. Among some of things are:

- your website should be perfect and specifically designed to attract and keep customers once they have landed on it;
- it should be very clear what exactly you are selling – there should be plenty of information so that the potential buyers don't get confused and leave;
- You should be targeting a specific group of people with your campaigns and products. Because, if you are trying to target everyone, you will most certainly fail in making any sales.

These are only some of the things that needed to be monitored and assessed in the current company's performance.

However, the ghost shopping method is not only used for criticizing and finding the weak links in a certain business or service. The model is also used to evaluate, detect and retain the good and useful techniques and strategies in a company's business or service. This is also not a very easy task, especially when it is done online. The person doing the evaluation should have an eye for the most specific



and small details that usually get left out by most people. Since the current case it is a website, the ghost shopper has to not only go through the process as if he/she was a real customer, but to monitor all other processes happening on the website. He/she has to go through all the different links in order to determine which tactics are good and which ones don't have the wanted effect and should be terminated.

In the current case the SFM Company wanted in the ghost shopping report also the things, tactics and methods that were successful and were giving results. In order for that to be done, I had to go through all the possible paths a potential customer might choose. I had to:

- Go through all of their information on the webpage
- Take the step by step training program and memberships
- Monitor everything that didn't give results, could be improved or is useful for making more sales
- Go through their customer service in order to evaluate the quality and efficiency of it.

In general everything had to come down to one simple question: "Would this (specific method or tactic) encourage me and help me in making a purchase?" If the answer was no then an improvement had to be made to the current tactic or method.

Everything in my ghost shopping report had to be visible and easy to understand so that the necessary changes were made faster and more efficient. I had to take and put a lot of screenshots in my report so that the company could easily and effortlessly understand where the problem is and what needed to be fixed, changed, removed or kept.

## **1.2 Research problems**

As mentioned in the previous points the main problem that needed to be solved was the company not getting enough sales. Although the problem is somehow

clear, the solution should be searched for in all of the company's departments. It might not be just one thing – there most certainly are a group of things that when combined, form the reason why the company is not getting the sales they expected or predicted.

Here are some of the questions that need to be answered in order to solve the sales problem that the SFM Company currently has:

- How can the different memberships be described better in order for the customer to feel inclined to click on them and apply?
- Is their sales page good enough to make someone commit in the long run for their training?
- Is there confusion of any kind somewhere in the sales/purchase process?
- Do their memberships and training meet the customers' expectations?
- Are the prices for their trainings and mentorship programs in line with the products that the customers are getting?
- Is the company building a connection of trust with their customers?
- Is the information they are offering up to date?
- Are there any distracting parts in the process that take the customer's attention away from making a purchase or improving his/her account?
- Is there enough personal interacting with the customers?
- Are there enough materials and training that can help the customers educate themselves in doing online marketing and advertising?
- Are there testimonials of current members that can encourage future ones into committing with the company?
- Does their customer service respond fast and is the quality high? Is it easy to reach the support team?

Those are the major questions that need answers in order to improve the company's sales performance. Further on in this thesis the suggestions for improvement will be presented to the above mentioned problems and issues.

### **1.3 Structure of the thesis**

The current thesis is solving the sales issues of the SFM Company and also giving information on how the ghost shopping method can help improve a company's performance. The structure of the thesis will be divided in two parts – a theoretical and an empirical.

The theoretical part is going to include the current problems the company is facing as well as more detailed information on the ghost shopping method itself – where it started, what are its functions, how can it be used to improve a company's performance, etc.

The empirical part is going to conduct of different methodology and kinds of research. There will also be presented the results of the case study and what improvements and changes are made in order to fix the problems and issues that were presented in the theoretical part.

In general from this thesis you will learn about how the ghost shopping method can be implemented, where it originated from, why is it useful for the company that uses it, what is the conceptual understanding, advantages and disadvantages, what literature says about the method. Also the results from the already done ghost shopping for the SFM Company will be presented and explained.

In the end of the thesis there will be an overall summary of the research that was done for the SFM Company. There will be conclusions based on the work that was done with the company. Nevertheless, the problems and questions that were presented in point 1.2. will be resolved and answered.

## **2 The ghost shopping method**

### **2.1 Definition**

Knowing the customer satisfaction is always the top prerogative in any business. Getting to know the level of satisfaction and (or) the changing expectations of customers' is a continuous process. Though there are various methods and tools available for this, ghost shopping is considered as unique and undeniable tool in any organization. As defined by Wilson (2001), ghost shopping is "a form of participant observation that uses researchers to deceive customer-service personnel into believing that they are serving real customers or potential customers".

Ghost shopping is a technique that involves looking at your business from outside and measure the efficiency of your own key processes from the view point of customers. Ghost shopping can be carried out in person, by telephone, or less commonly by email. It can recognize strengths and weaknesses and aid to show exactly where service delivery can be improved. In instances where excellent service is provided, the service may be considered an example of best practice and specific staff members can be singled out for recognition and reward.

Initially set up in retail and private sector service industries, now ghost shopping is used increasingly in the private as well as public sector and also online in order to gain a better understanding of how service users are taken care of when they approach front line offices or online shopping pages. Research is the foundation stone of effective marketing planning and is vital for implementing successful marketing strategies.

Ghost shopping is a research to know about company in customer point of view. It is the use of individuals, skilled to measure any customer service process, by acting as potential customers and in some way reporting back on their experiences in a detailed and objective way. It is also an act of purchasing goods and services for collecting information for market research.

## **2.2 Methods of implementation**

Ghost shopping can be done by two methods:

- A company uses its own employees to perform the ghost shopping, in which company trains its own employees to collect the customer related enquires from the market
- Some companies can engage marketing research companies to evaluate the superiority of service in their stores; these companies use ghost shoppers to get the information in disguise.

“They disperse a ghost shopper to make a particular purchase in a shop or store, for example, and then report on the experience and understanding. Typically, the shopper is compensated, and can keep the product or service. Ghost shopping can be used in any industry, with the most common venue being retail stores, online stores, hotels, movie theaters, restaurants, fast food chains, banks, gas stations, automobile dealerships, apartments, health clubs and health care services”(Shakeel-UI-Rehman and A.Velsamy, 2013).

Ghost shopping can allow a firm to create a competitive edge. It can also assist retailers in developing and evaluating strategies to retain current customers. The first step in ghost shopping is to identify your firm's important customer service characteristics and objectives often flowing from your strategy and overall goals and objectives.

### **2.2.1 Implementing the method online**

Every organization's internet and online website(s), whether they be informational, transactional, social, ecommerce-based or customer service oriented, are likely one of the fastest growing customer interaction channels for that organization. That is why it is important for the organization to invest both time and money into a method like ghost shopping – it will help for the continuous and accurate understanding of customer inquiries, website perception and interaction, as well as service support and response times across the online properties.

Since in an online store or website there is no face to face contact, it is that much harder to evaluate the customer service, to know the customer's expectations and to take action to improve. When choosing to use the ghost shopping method to improve your company's online performance and customer relationship, there are several things that should be taken into account:

- Not everyone can do the reporting – the ghost shopping method, especially done online, should be executed by trained personnel or by people who are familiar with the online technologies and have the ability to recognize what's important and needs changing in terms of sales and marketing. That is why it is best to invest in a company that has the needed trained personnel, has a proven system and follows a certain proven process.
- You have to be prepared to accept criticism and most importantly to take it into account and take whatever actions are best for your company and its performance.
- Nothing magical will happen overnight – ghost shopping is indeed proven to be working at a very high rate of success but that is only one part of the equation. On the other hand there should be changes made and improvements applied to those problems and issues that were found in the process.

### **2.2.2 Why and where ghost shopping**

“In this growing severely competitive environment, there is an ever-increasing need for companies to gather evidence on whether their policy initiatives have had the intended outcomes and whether retail firms treat their customers fairly. In particular, the need is to measure and evaluate the impact of company policies, assess levels of firms' compliance with rules and examine the experience consumers have of the market” (A.Velsamy, 2013).

Ghost shopping is regarded as a necessary means of gathering such information. This is because of the problems inherent to surveying those who have recently purchased products – consumers, don't always exactly recall all the particulars. Some of the benefits of ghost shopping are:

- Product
- Placement
- Point of Selling
- Visibility
- Customer Demand
- Repurchases
- Brand Recall
- Awareness.

The assessments are typically discrete questions along with the correlated point values, as well as some narratives for amplification. However, due to advances in technology as well as evolving customer service requirements, the ability to gather data and other materials relating to a customer's experience has been significantly increased. Ghost shopping can allow a firm to create a competitive edge. It can also assist retailers in developing and evaluating strategies to retain current customers.

Typical areas of assessment are customer service, suggestive selling and up-selling techniques, teamwork, employee and management activities, head-count, store(website) appearance and organization, product displays, cleanliness of the proposals and site information, signage and advertising compliance, security of the online payments, product quality, order accuracy, customer's preferences and return policies. Assessments can be on-site, online or via the telephone. A sample size as well as a period of time for the mystery shopping program is determined and results, mostly in the form of reports, are used for feedback.

### **2.3 How is ghost shopping different from marketing research?**

According to Mark Michelson (2001), "Ghost shoppers must follow specific guidelines on what to do during an evaluation and shop at specified locations or web-

sites they may not normally visit. Marketing research study participants on the other hand, are not given evaluation guidelines in advance.”

Ghost shopping is typically more operational in nature than marketing research and is most often used for quality control, training and incentive purposes. Marketing research is used most often to determine real customer and prospect opinions, perceptions, needs, and wants.

Ghost shoppers are recruited based on specific profiles that closely match a company’s real or targeted customers. Marketing research study participants are sampled at random from a qualified population to represent a larger population.

Ghost shoppers are asked to be objective and explain observations. Marketing research study participants are encouraged to give their subjective opinions freely.

“Ghost shopping reports on specific visits, calls, product testing, webinars or other sort of purchase - each evaluation can be used independently to make improvements to operations and training. Ghost shopping is not predictive of every customer’s experience unless sufficient samples are taken and data analyzed in aggregate” (Michelson, 2001).

Ghost shopping should not be used alone to determine customer satisfaction - it can complement, but not replace traditional customer satisfaction research. You can’t predict or measure customer satisfaction using ghost shopping because customer satisfaction is a subjective topic based on what real customers think. Ghost shoppers are not real customers - they know what to evaluate before entering the store or visiting a certain website and they may not typically visit the store or website they are evaluating.

## **2.4 The ghost shopping process**

In reality, mystery shopping is a proven form of customer-oriented research which provides hard, quantifiable data on service performance levels. Unfortunately, simply gathering the data does not lead to improvements. An organization can be presented with the most detailed graphs and the most illuminating summaries of



results, but if it is unwilling to accept the validity of data that results from a well-designed mystery shopping program and use that information as a tool to improve service, the effort is wasted.

Often clients become discouraged initially as their program goes through the stages described below. Before changes in service delivery become noticeable to customers, the client's own organization must embrace the program and use it to achieve those improvements.

The patterns or stages of a mystery shopping program exist almost regardless of the program type. These stages, while not scientific, are surprisingly predictable. The actual progression of these stages or patterns varies depending upon the organization's previous experience (if any) with mystery shopping, how well the program is presented to the client's field organization, and the type of performance incentives that are established.

Organizations must realize that a shopping program is instituted in order to determine what management is doing wrong in the selection, training and motivation of employees - not what specific employees are doing wrong. If employees are not meeting performance expectations, it usually means they are confused about what is expected of them. Alleviating this confusion is management's responsibility - taking the mystery out of the process. Donna Garrou (January, 1997), describes the process in these stages:

– **Stage 1 – Denial**

The first stage for many organizations following initiation of a mystery shopping program is denial - meaning there is little or no acceptance that the results are accurate. Criticism at this stage often centers around company management, the mystery shopping company, the shopper base and the selected scenarios. There are a number of reasons for this denial stage, including:

- previous experience with poor quality mystery shopping providers;
- general suspicion of corporate programs;

- poor communication regarding how the program results will be utilized;

Another contributor is the often completely unexpected nature of the results, as Unibanco, one of Brazil's largest banks, can attest. As a client of Indicator, a Shop'n Chek licensee, Unibanco has utilized mystery shopping programs for six years. Their biggest surprise the first year was that tellers were not wearing name badges even though company policy mandated it. Unibanco also learned that the number one problem reported by shoppers was the quality of the personal treatment they received from bank employees.

For Unibanco, faced with stacks of objective data, a light went on. Management realized that shopping results truly reflected the experience of bank customers. This lead Unibanco to focus on changes needed in the area of customer service.

## – **Stage 2 – Acceptance**

Acceptance is accelerated when:

- top and middle management clearly express the goals of the program and stress its use as a tool and not a correctional system;
- field personnel such as store managers have a forum to discuss findings or obtain additional feedback;
- the mystery shopping program utilizes strict quality assurance procedures to provide unimpeachable, accurate data.

After accepting the results as meaningful and useful, the company's field organization can begin to implement solutions. Such solutions can take many forms - from a basic hands-on discussion of an individual store's or field's results with the crew or personnel to complex corporate training and enhancement programs.

Basic solutions generally start at the store level. Store (or field's) managers post results in a conspicuous place (eliminating any employee names) and discuss results in weekly staff meetings. A good way to get everyone involved is to encourage employees to brainstorm concerning what could or should have taken place in a certain scenario. In this way everyone participates and learns. Establishing a dialogue between employees and managers is the key to improvement.

By building a well-communicated series of awards and recognition into a program, an organization can motivate employees to perform according to established expectations. This enforces training programs and policies and shows that excellence is both rewarded and appreciated.

At the next level, the managers taking higher positions in a company may implement many of the same techniques to motivate the lower positioned managers, and may even set up competitions among themselves. At the corporate level, additional incentives and particularly recognition further encourage performance. One incentive corporate management can provide is informal training using individuals from key departments and/or development of new training materials to provide more support.

After Unibanco learned that one of the shoppers' greatest concerns was the quality of personal interaction they had with bank employees, it developed "In Harmony With the Client," a training program designed to encourage bank employees to consider clients' needs first.

"When we started the 'In Harmony' program, Unibanco was at the same level of customer service as other banks in Brazil - quite low. Now Unibanco is renowned for its customer service. They're actually way ahead of other banks in terms of meeting the needs of clients," says Eduardo Schubert of Indicator, the Shop'n Chek licensee that created Unibanco's program. Unibanco has incorporated the actual results of each mystery shop into its employee motivation program. Each branch is ranked according to its questionnaire score.

### – Stage 3 – Primary rewards

Following implementation and execution of solutions to generate shopping score (and thus service) improvements, primary rewards begin to occur. While improved mystery shopping scores may be the initial focus, especially when incentives are involved, once performance begins to improve and the focus shifts to improving service versus just winning awards, the real benefits or primary rewards, begin to occur. These include:

- improved customer satisfaction;
- better customer retention;
- improved customer loyalty;
- increased sales;
- higher employee retention and satisfaction.

Knowing that these phases are normal - in fact necessary - elements in the evolution of a mystery shopping program can be helpful when initiating or revamping a program. Acceleration of the process leads to a faster achievement of the primary rewards which are the goal of every business and the ultimate reason for utilizing a mystery shopping program.

### **3 Website and online customer service**

Since the ghost shopping for the current company is done online, I want to also provide the necessary information for how a successful and profiting website should be operating. Only knowing how to do ghost shopping is not enough to improve a company's website and customer service performance. You have to also be familiar with the necessary assortment a website should have and to be closely familiar with online operations, online marketing campaigns, website development and many others. That is why in this chapter I will present you with the things every website should have and include if it wants to be profitable.

#### **3.1 What every successful website needs**

Having a website is a must, if you want to establish and build a successful business—large or small.

There are a few guiding principles which will help you attract and retain an audience of loyal customers and clients.

To find out how to make your website stand out, Ron Wright and Tony Escobar shared their opinions and experience with Open Forum Website. Wright has helped businesses build a solid Web presence since 1998 at Accentix. Escobar is a 25-year-old entrepreneur who helped launch AMTG Solutions to provide web services to small businesses.

Escobar says you need to make your business stand out and get your visitors to act. Refining your website in a few key ways helps you present the best product to your online clientele.

##### **3.1.1 Quality content**

Content is the most important foundational element of any business website.

If you're selling a product or service, offer enough information about that product or service that prospective customers understand what it is. They should also be enticed to buy it, based on the function you describe or the need your product satisfies.

"The whole point of the website is to get visitors to contact the company, make a purchase or visit your location," Escobar says, and that hinges on its content. "A good site provides users the exact content the company wants them to act on."

All the text on your site must be written well. If writing isn't your best skill, Wright suggests leaving it to a professional by contracting out the work to a freelance copy writer. It might seem like a big up-front cost, but it's actually an important investment to make.

### **3.1.2 Clear vision of the audience**

Without a keen awareness of who your ideal customers are, it's hard to properly tailor your content and website to appeal to them.

Small-business owners often don't narrow their focus enough.

"I always try to counsel my clients to consider who the visitor is and then give that visitor a clear path on what to do next," Wright says. That's hard to do if you're targeting too broad an audience.

You should first make the so called avatar of your ideal customer – what he likes, what he enjoys doing in his free time, what kinds of friends he has, what books he likes to read, what sports he is interested in, etc. That way you will know exactly what your target audience looks like and what they like and desire. After you are acquainted with that, you can target your audience by just giving them what they want to see, read or purchase.

### **3.1.3 Keywords**

It's important to understand what search terms and keywords drive visitors to your site. That way, you know which words to use when you describe your products or services to maximize page traffic.

Google, for example, uses a keyword-based algorithm to rank search results. There are tools to help you understand whether you're taking proper steps to capitalize on that.

You can advertise your business on Google using Google AdWords. It has a feature that helps you find out if your keyword choices are on-point or off the mark. Additionally, analytics software like Google Analytics allows you to see which search terms and other Web pages steer people to your site.

By taking stock of that data and regularly monitoring it, you can build comprehensive strategies that will help search results tip in your favor.

### **3.1.4 A clean, readable look**

Aesthetics are subjective, Wright and Escobar both agree, but designing a website according to your own tastes is a big mistake. Instead, they suggest to keep these few guidelines in mind.

First, be professional and have a look to match. You want people to take your company seriously? Then invest in a site that looks legitimate. Unless you're a savvy site-builder, hire a consultant. Your website is the image you're sharing with a whole world of potential customers. Make it good. And remember who your target audience is, in order to offer what they like and are interested in.

"Any hint of being outdated or having an unpleasant design can be a major turnoff for prospects," Escobar says. "After all, small businesses are not alone; they have to compete with the guy next door. The company that provides the best first impression usually gets the sale."

Second, don't overwhelm your visitors. A lot of graphical additions and colorful sections on your site make it look messy and confusing. Keep a streamlined approach and focus on simplicity.

### **3.1.5 Simple navigation**

A comprehensive and to-the-point sidebar that displays each of your pages' offerings is the easiest way to drive visitors to the various parts of your site without frustrating them.

Keep it simple and straightforward, Escobar says. For example, say "About" instead of "About Our Office" to avoid clutter and confusion.

### **3.1.6 About your company**

The autobiographical section of your website, the "About" tab, is a crucial trust-builder and attention-grabber.

This page should never be generic, Wright says. It's a history of your company that details who you are and what you do, written in a tone that matches your company's culture. Include personal bios of your top management staff. That gives a sense of transparency and openness to what you do and fosters connection with prospective customers.

"People are not as concerned with what you do as who you are," Wright says. It is not a coincidence that the "About" sections of a website are always among the most-read.

Contact information should also be easy to find. It tells your customers you are reachable and at their service, whenever they might need you.

Don't be shy about listing ways to get in touch across platforms and devices, Wright says. It gives the best impression of accessibility and engagement when you offer e-mail, phone, mail and social media options.



Escobar suggests going a step further and including contact information at the footer of each individual page, where visitors are accustomed to finding general information.

### **3.1.7 Social media integration**

Building in social media, like your Twitter and Facebook feeds, to your website helps boost your engagement on those platforms and allows you to more easily keep in touch with your customer base, Escobar says.

He suggests adding social icons in the main navigation bar and in the page footers.

## **3.2 Providing successful online customer service**

How many rules out of ten does your business follow? It's not a new or novel concept, but customer service always matters in any size business and yours is no exception. Remember that even mammoth companies like Apple, Amazon and FedEx take customer service very seriously, making it even more essential for small businesses to offer the same piece of mind for their customers.

Lessons learned from the big players can easily be adapted and implemented in your business. Customers are all looking for a few essential elements that make their experience pleasant and evoke their loyalties. Karlee Weinmann provides a very useful list of things you should apply to your customer service:

1. Provide quick responses and solid answers.

Customers don't want to wait around for answers and your first response should be the answer they need. Being available 24/7 online is a great way to offer service that's on par with bigger companies. Even if you simply provide a frequently asked questions section on your website, you offer timely answers in a world where minutes matter. Offering virtual help through chat on your website or a knowledge base of informative articles can set you high above the competition.

## 2. Listen well

Most customers aren't looking for more than a listening ear. It's just like in any relationship, the person on the other end of the line just wants to know that they were heard, understood and that the company can identify with their situation. Even when outcomes don't necessarily meet the initial expectation of the customer, showing empathy can create a satisfied customer and maintain positive brand impressions.

## 3. Acknowledge that all cases are not equal.

Sometimes the policies in place around your product or service don't fit the situation. Your customers will appreciate when you acknowledge a special case and offer a fair solution. You don't want to bend the rules for every little request, but in extenuating circumstances, customers appreciate when you empathize and reason like a person, not a corporation.

## 4. Learn how to apologize well.

Recognize when circumstances have turned for the worst, graciously accept the blame and admit you were wrong. Humility can calm anger faster than a refund. Don't just give angry customers their money back and let them go away still angry. Admit you were OBJ wrong, accept the blame, and issue a great apology. Fully acknowledge what you should have done instead and go out of your way to go beyond that.

Going the extra mile to make the situation right and exceeding the customer's expectations will have more of a far-reaching, lasting impression than just doing it right in the first place.

## 5. Appreciate your customers and show respect

Use friendly greetings, customer's names, and by all means thank them for their business and loyalty. Even if you don't plan on implementing customer loyalty programs, at least create a culture of gratitude. It can be as simple as having a

“customer appreciation day,” or the pleasant greeting of a customer service representative who uses positive language to create a satisfying experience.

#### 6. Remember them.

Customers readily provide you with information about themselves and ask questions often more than once. If they’ve called, submitted a request, or even done an exchange you should have a record of that. Whenever a customer contacts your company in the future, you should have general knowledge of the relationship they have had with you so far. Knowing their history helps you to provide excellent service and makes them feel cared for and satisfied throughout their experience. Using a ticket system allows you to manage customer emails and form submissions, keeping all their data centrally located and archived for easy retrieval and updating.

#### 7. Say yes, whenever possible

If you can grant a request, do it. You aren’t going to get requests every day all day that are outside of your normal operations, so when it’s something that doesn’t require a lot of effort, time or money on your part, oblige your customers. Again, you are setting yourself apart as a company that reasons like a person and responds in a personal way. Something your customers rarely get elsewhere.

#### 8. Invite feedback & accept criticism

Your customers have some of the greatest ideas that can grow your business, right on the tip of their tongues. All that you have to do is ask them to tell you. Feedback from a reasonably critical voice can be the key to understanding exactly what you need change in order to really appeal to your customer base.

#### 9. Revise tactics based on feedback

Don’t just ask for feedback and stay stagnant. Use the information to your advantage, and let customers know you’re listening. Dominoes pizza is a great example of this process. I don’t know a single person that liked Dominoes pizza 5 years ago. But today their business is booming beyond belief, all resurrected by

the message that they listened when their customers told them their pizza sucked. They didn't just admit they had a bad product, they changed it. I know, myself, I was impressed by their changes and these days when I do order delivery...I order dominoes.

#### 10. Value and empower your customer service employees

None of these strategies can take your business anywhere if you don't have well trained, enthusiastic and capable customer service employees. Give them the most effective training you can and make the process well documented and repeatable. Make sure your employees have access to top of the line tools to make their job simple and streamlined.

A knowledge base is a great resource for training new employees, retaining company policies and informing and educating your customers. So no matter where your customers get information, the message of your customer service representatives is positively reinforced publicly.

The bottom line is... the big companies who do customer service the right way, haven't lost sight of the small shop mentality. Do what makes the individual feel understood and valued... and by all means, make it personal!

## 4 Methodology

The research that was done to improve the SFM Company's performance is more likely to be called a case-study, since there is a problem that needs to be solved through detailed observations and evaluation. In this part of the thesis I will provide information on what can be defined as a case-study, what is the use of it and for what it can be implemented. I will also include details about how I did the current case-study with the SFM Company.

### 4.1 Case-study

Case studies are stories. They present realistic, complex, and contextually rich situations and often involve a dilemma, conflict, or problem that one or more of the characters in the case must negotiate.

Although they have been used most extensively in the teaching of medicine, law and business, case studies can be an effective teaching tool in any number of disciplines. As an instructional strategy, case studies have a number of virtues. They "bridge the gap between theory and practice and between the academy and the workplace" (Barkley, Cross, and Major 2005, p.182). They also give students practice identifying the parameters of a problem, recognizing and articulating positions, evaluating courses of action, and arguing different points of view.

Case studies vary in length and detail, and can be used in a number of ways, depending on the case itself and on the instructor's goals.

- They can be short (a few paragraphs) or long (e.g. 20+ pages).
- They can be used in lecture-based or discussion-based classes.
- They can be real, with all the detail drawn from actual people and circumstances, or simply realistic.

- They can provide all the relevant data students need to discuss and resolve the central issue, or only some of it, requiring students to identify, and possibly fill in (via outside research), the missing information.
- They can require students to examine multiple aspects of a problem, or just a separate part.
- They can require students to propose a solution for the case or simply to identify the parameters of the problem.

“In addition, unlike a scientific study which deals with facts, a case study is based on opinion and is very much designed to provoke reasoned debate. There really is no right or wrong answer in a case study.” (Martyn Shuttleworth)

Strengths of Case Studies:

- Provides detailed (rich qualitative) information.
- Provides insight for further research.
- Permitting investigation of otherwise impractical (or unethical) situations.

#### **4.1.1 Finding or creating cases**

It is possible to write your own case studies, although it is not a simple task. The material for a case study can be drawn from your own professional experiences (e.g., negotiating a labor dispute at a local corporation or navigating the rocky shoals of a political campaign), from current events (e.g., a high-profile medical ethics case or a diplomatic conundrum), from historical sources (e.g., a legal debate or military predicament), etc. It is also possible to find published cases from books and on-line case study collections. Whatever the source, an effective case study is one that, according to Davis (1993):

- tells a “real” and engaging story
- raises a thought-provoking issue

- has elements of conflict
- promotes empathy with the central characters
- lacks an obvious or clear-cut right answer
- encourages students to think and take a position
- portrays actors in moments of decision
- provides plenty of data about character, location, context, actions
- is relatively concise

#### **4.1.2 Common Methods used in Case Study Research**

The goal of case study research is to understand the complexity of a case in the most complete way possible. For this reason, case study research often involves the use of multiple methods for collecting data. By using multiple sources of data (and both qualitative and quantitative data) researchers may attain the richest possible understanding of a case. The qualitative methods described below are all likely to be used in case study research. Qualitative research design is a research method used extensively by scientists and researchers studying human behavior and habits.

- Participant observation

This involves the researcher immersing him or herself in the daily lives and routines of those being studied. This often requires extensive work in the setting being studied. This is called fieldwork. Observation provides insight into the behavior patterns and social organizations that operate and constitute a particular bounded system or case.

- Interviewing

Researchers will learn about the person or persons that are part of the case by speaking with these people. Talking with informants is called interviewing.

The types of interviews conducted by researchers vary in degree of formality (informal interview to semi-structured to structured interviews).

- Collection of artifacts and texts

Researchers may also learn about a bounded system by collecting and studying artifacts (e.g. written protocols, charts, flow sheets, educational handouts) - materials used by members of the system or case being studied.

## **4.2 Research for the SFM Company**

The first thing that needed to be done in order to start the ghost shopping with the company and evaluate their problems was to visit their website. Since we are talking about an online ghost shopping it is not possible to do anything in person or face to face – in this case everything was done online.

As a part of the design process I had to understand what was I going to look for and questions needed asking. Since the company is having problems and issues with their sales, one of the questions that needed to be answered when I first started visiting their website is “Do I want to become a client?” No matter the answer, the next question immediately is “Why?” And because we are looking for ways how to improve the company’s performance and sales I had to also include a third question: “Is there a way this can be improved and how?”

These are the very basic and necessary questions I had to answer during the process in order to gather and come up with quality information that would give results. Of course, there were also other topics and questions that were covered depending on which stage the research was in.

In the first stage of the research, when I was still not a client of the company, I had to evaluate their website and marketing strategies and techniques. I also had to take a look at their products and to evaluate them – is it clear what they are offering, are there enough testimonials to prove the efficiency of the products. Since in this case their products require a long-term commitment it is important to ask the question: “Can I trust this company enough to make such kind of commitment?”



When you have such products, it is very important to also have the tools to earn people's trust and loyalty, and these are not easy to earn. Especially online.

The website had also 1 more product – a video material that was free of charge which gives the future clients a brief overview of what is coming and what they can learn. As a part of my ghost shopping I had to go through the video material, evaluate it, give improvement suggestions and after every step to ask myself – “Do I feel inclined to click on any of the subscriptions? Do I want to become a client?” That way we could test the true effectiveness of their sales tunnel. I also had to include my expectations before every different part I started. After that I had to figure out did the product/webinar/video meet my expectations and why. These are also very crucial and important questions that really help understanding whether the company's marketing process is successful.

In the stage where I had already become a client of the company (a ghost shopper) one of the most important things I had to look for was whether the products they were offering matched their prices. This is a very important aspect when we are talking about commitment and trust. Of course, the level of customer satisfaction is crucial for the company's success and future progress. That is why the most important part of the whole process was to offer constantly suggestions for improvement and to also write in the report every detail from the whole ghost shopping experience. That way it would be easier for the company to improve their performance.

## 5 Results from the case study

All the results and findings that were gathered in the 6-month period are included in a long report that is almost a hundred pages. In this part of the thesis I will present the most important ones that were discovered and fixed. There are also a lot of details mentioned in the report that won't be included here since they are somewhat irrelevant.

### 5.1 Membership section

As seen in Figure 1 there are the different memberships with their prices. The negative thing here is that it is not very clear what the different memberships include. There are a lot of abbreviations and words that don't mean anything to a person who sees them for the first time. This is one of the things that had to be changed.

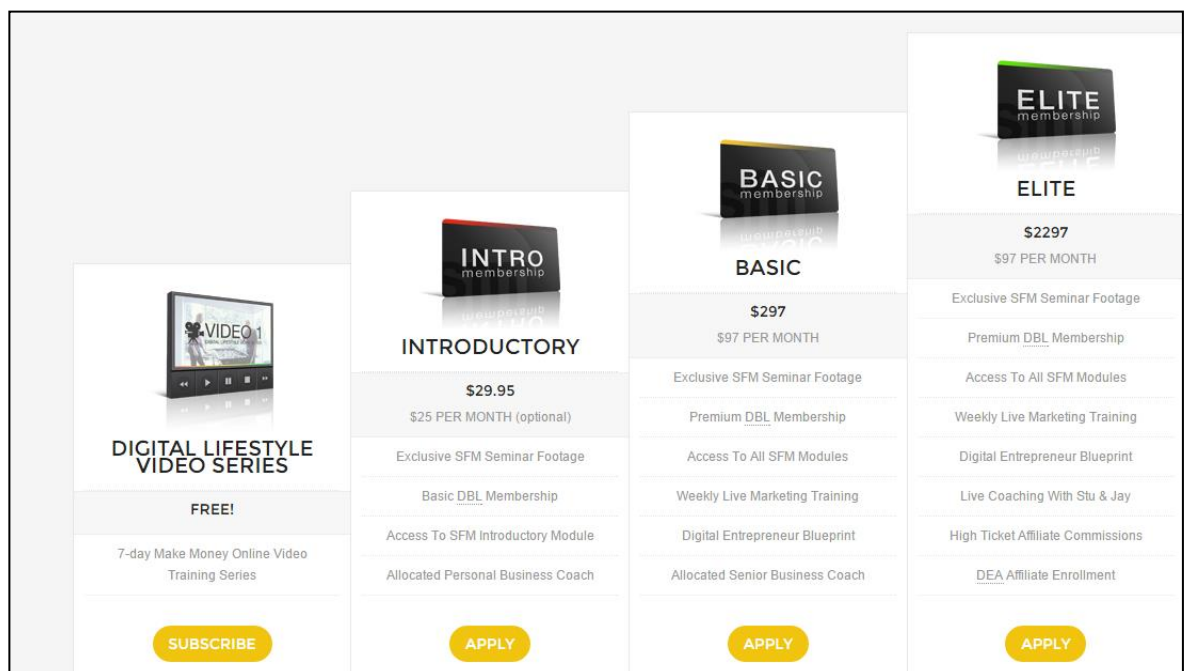


Figure 1. Membership section screenshot

## 5.2 Video series page buttons

In the page where the videos from the free video series appear, as you can see in Figure 2, there are 2 green buttons which was very confusing for me. On one of them it is written “Begin training” but since I was already looking at training videos I didn’t know what could that be. Also the second buttons was about joining a webcast-also confusing. And the fact that both of the buttons were in the same color didn’t help at all.



Figure 2. Video series page buttons screenshot

## 5.3 Testimonials

Overall in the whole ghost shopping experience and marketing training along the way I noticed something on the company’s website: wherever there were any testimonials written the people that were sharing their experience were always the same. There were 5-6 people, probably the most successful ones from the members, whose names were under most if not all of the testimonials. This created very bad impression since it is good to see also other people’s experience with the program.

#### **5.4 Confusion in price after subscription**

After already filling my details on the sales page a video appeared after that. Below the video was also not the price I had agreed to pay but a much larger number. Anyway I found out that this was an optional offer. However, it still caused a lot of confusion on my side and that was very negative since a lot of customers might think that this is a scam and refuse to become members at all.

#### **5.5 Old videos**

So the first thing that I saw from Module 1 (the start of the process after the subscription) was a video with Stuart and Jay (the founders of the SFM Company). It was a great video, very motivating and inspirational. There was just one thing that I didn't like. It was probably in the middle of the video where they said that the year they are currently in is 2013. And that didn't leave a good impression at all. Altogether the video was amazing but I would suggest to just not mention the year at all.

I can also add here that at places there were materials that tended to appear in a lot of places. At first someone might think that they just don't have any other materials to offer and that is the reason why they keep on putting the old ones. That is why it is better whenever there is a repeatable material to just mention that the repetitiveness is on purpose, meaning that the company wants to encourage its members to learn through repetition.

#### **5.6 Lack of training**

A little further along the way of my ghost shopping with the company I noticed that there is very little training provided on how to actually do marketing. Since learning was the reason to sign up in the first place I expected to find the trainings easier. And the problem is not that I don't find them, it is that they are very few provided.

In the end of one of the training and introductory sections (Module 4), there was again a lot of confusion. In the final section “Congratulations” it is written that I am now ready to go and start generating leads with the strategies that I have been introduced to in this Module. But I haven’t been introduced to any so far. Nevertheless, in the final sentence I am being referred to check out the other strategies in the Trainings Tab (Figure 4) but when I go there I don’t see the words “marketing strategies” anywhere! Anyway, where it is written “clicking here” (Figure 3) instead of providing a hyperlink there is nothing.

In the whole module the only thing a client can learn about online marketing is that they have to generate leads. It is not said anywhere how to do that and what strategies to use.

The screenshot shows the end of Module 4. On the left is a sidebar menu with items: Marketing Orientation, Weekly Live Training, Stu's Tips To Success, Your First Month, Simple Marketing Strategies, Digital Bloggers, and Congratulations. The main content area is titled 'Module 4 - Begin Marketing Progress' with a green progress bar at 72%. Below this is a 'CONGRATULATIONS!' message stating the user has completed the SFM Beginners Marketing Program. It follows with a paragraph of encouragement and a paragraph about generating leads. The 'Next Step >' section contains text about sticking to simple marketing strategies and a red underlined phrase 'clicking here:' followed by a large red question mark. At the bottom is a checkbox labeled 'I've completed this step'.

Figure 3. End of Module 4 screenshot

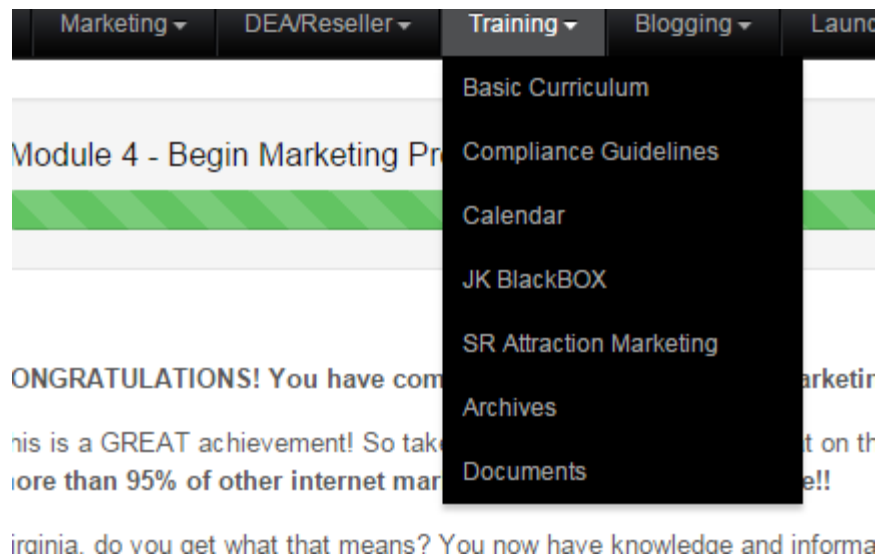


Figure 4. Training tab screenshot

## 5.7 SFM Community – interacting portal for members

The SFM Community is a place in the SFM website where members can share thoughts, experience, problem solutions, marketing strategies, etc. The only confusing thing with that portal is that you need a separate registration for it. This is confusing since once you log in to the website you are supposed to have access to everything that is in it, including the Community. However, not only do you need a separate registration, but you cannot register until you reach a certain Module and receive an email with the link for registering. This I found to be very disturbing and a lot of members would be unhappy about that.

There is also another thing about the SFM Community that I found necessary to change. Later on I got the registration link which led to a signup page for the SFM Community. I entered my credentials and created a profile. Then when I tried to log in and there was a message telling me that I need admin approval. But after that when I clicked on the link in the received email I still couldn't log in. After a couple of hours I got another email from Support telling me my account was now ready.

A good thing to do is to inform in the first email that there is a second email coming in order to avoid confusion in members.

## 5.8 Discounts

There are several places throughout the whole process in which there was a discount offered but it was unclear what it was for and how much was it. That is a big problem, especially for a company that wants to improve its sales. Everything should be written very clear and there is no place for confusion, especially when it comes to the price. There is an example in the picture below. There you can see that there is no explanation and no hyperlink included that leads to a page with more information. That was a problem that we solved together with the company.

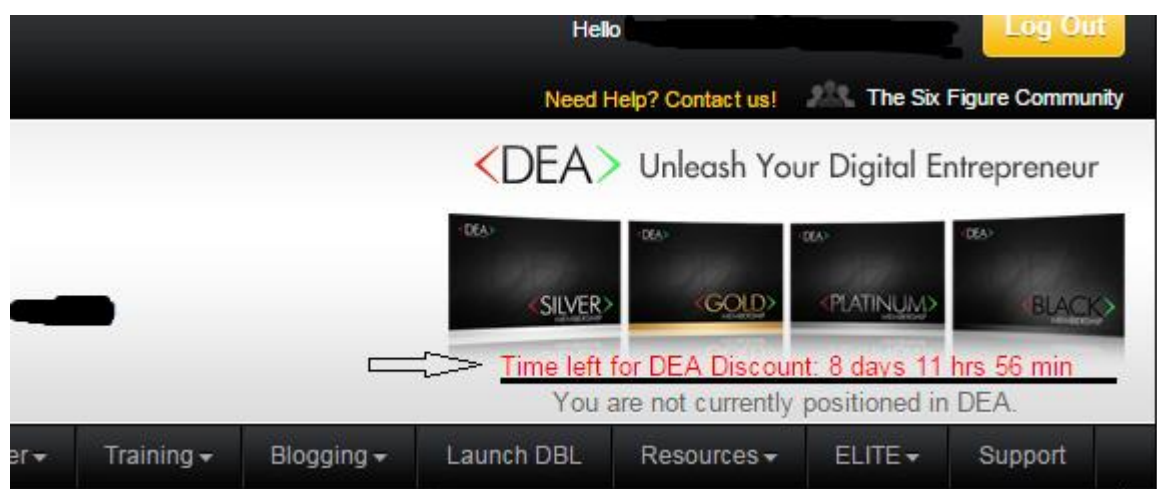


Figure 5. DEA Discount Screenshot

## 6 Conclusion

In the previous chapter results from the ghost shopping research were laid out. As seen also from the screenshots provided there is not one big problem rather than multiple smaller ones which result into an issue for the sales of the company. In this part of the thesis I am going to answer to the questions I posed in part 1.2 of the current thesis.

- How can the different memberships be described better in order for the customer to feel inclined to click on them and apply?

I found out that there are some abbreviations and words that are not understood from a potential customer who has never had experience with marketing before. For this problem my suggestion was to write in simpler words what the different memberships include so that every potential customer understands them. When the information is clear and the customer knows exactly what he is paying for it is much easier for him/her to make a long time commitment.

- Is their sales page good enough to make someone commit in the long run for their training?

That was also a very important part of my research because a sales page is one of the most important things when it comes to online sales process. In the research process we studied carefully the sales pages that the company has and found them all to be very clear, informative and fully explaining what the products they are selling are.

- Is there confusion of any kind somewhere in the sales/purchase process?

As presented earlier in part 5 of this thesis there were moments not only in the sales/purchase process that created confusion. As a suggestion for the company is to make the information more accessible, to write things simpler, and to always include information explaining the processes on the website. The less the confusions, the more satisfied the customers will be and also the sales.



- Do their memberships and training meet the customers' expectations?

As a ghost shopper who used their products and services for almost 6 months their memberships did not meet my expectations. As mentioned in part 5 of this thesis, there is very little training provided. That is a big minus for the company since marketing training is what they are offering as a product. In order to improve the SFM Company's sales levels and performance, we suggested to include a separate Module or even a website that includes only marketing training, advertising techniques and materials.

- Are the prices for their trainings and mentorship programs in line with the products that the customers are getting?

This is another issue I stumbled upon while being a ghost shopper – their prices are not in line with what they are offering. Yes there are useful materials, online coaches and mentors, but they do not compensate the lack of training that every customer assumes he/she will get once purchasing a product. Once the company includes more training materials in their programs and the prices are in line with the products and services, then the company will see changes in their sales levels.

- Is the company building a connection of trust with their customers?

Definitely yes. In spite of the high prices of the company's products and services, the connection of trust is on a very high level. In every video and online material I personally felt there is a very close relationship between the founders and the members of the SFM Community. It is visible that the company invested a lot in building the trust with their customers which is a big plus when it comes to sales and long term commitment.

- Is the information they are offering up to date?

Most of the information I came across in the website and trainings is up to date. However, there are some videos and materials that were from at least 2 years ago. Updating their materials and videos on a regular basis is something the company should definitely work on. A good sign was that

they started changing their videos and materials still in the process of the ghost shopping which really shows for determination.

- Are there any distracting parts in the process that take the customer's attention away from making a purchase or improving his/her account?

After a customer makes his/her first purchase, later on there are a couple of different levels he/she can improve upon and of course pay for the upgrades. That is a really good strategy to attract more sales but in the case of the SFM Company there were some confusing details around the upgrades. I can say from personal experience that sometimes there was not enough information regarding the upgrades and the discounts for them. That was the reason that stopped me from making a purchase (Figure 5). The suggestion for the company here would be to provide plenty of information about the different stages of upgrades and purchases in order to avoid confusion of the customers.

- Is there enough personal interacting with the customers?

Yes, there are a lot of video calls once you are a member of the SFM Community. This is a very big plus for the company. Depending on your membership type you can have access to unlimited online consultations, which not every company can say about its customer service.

- Are there enough materials and training that can help the customers educate themselves in doing online marketing and advertising?

The materials are definitely lacking, but as mentioned in the points above the company has taken this issue into account and is now working heavily on their training portal.

- Are there testimonials of current members that can encourage future ones into committing with the company?

Testimonials are always inspiring and are a necessary asset for every company operating online. Sadly, in the current case the SFM Company had more testimonials in the part after purchase rather than putting them before.

That way, when the potential customer lands on the testimonials while gathering information for the company, he/she can see how many satisfied customers are there. It will also raise the trust level in the potential customer's eyes.

- Does their customer service respond fast and is the quality high? Is it easy to reach the support team?

From my personal experience I can say that their support team is responding very fast to threads and the quality of the service is on a very high level. It is also very easy to connect and use the customer service since there are links provided everywhere in the website and they are very easy to spot.

In a conclusion I can say that the ghost shopping experience was very successful for the company and they changed a lot of things along the way before the project was even finished. I can sincerely encourage every company to take advantage of the services of a ghost shopping company even if they don't have any pressing issues to solve. It can improve their performance in every way, especially their relationship with their customers. Both the companies and the customers benefit that kind of project.

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